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Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly: priority theme: review of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Review of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Report of the Secretary-General

Summary

The present report is prepared in response to Economic and Social Council decision 2005/230 of 20 July 2005, in which the Council approved the provisional agenda of the forty-fourth session of the Commission for Social Development with the priority theme "Review of the first United Nations Decade for the Eradication of Poverty (1997-2006)". The report reviews the first United Nations Decade for the Eradication of Poverty (1997-2006) and focuses on key developments during the Decade, including the strengthened commitment to poverty eradication at the national and international levels, the evolution of strategies for poverty eradication, the enhanced coordination within the United Nations system to support the efforts of Member States and the obstacles and challenges that still face development partners in their fight against poverty around the world. The report concludes with a set of recommendations for consideration by the Commission.

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I. Introduction

1. In accordance with the multi-year programme of work for 2002-2006 adopted at the thirty-ninth session of the Commission for Social Development, the present report addresses the priority theme for the forty-fourth session, "Review of the first United Nations Decade for the Eradication of Poverty (1997-2006)".

2. The scope of the first United Nations Decade for the Eradication of Poverty is broad and inclusive. Its objective, to achieve the goal of eradicating absolute poverty and reducing overall poverty substantially in the world, through decisive national actions and international cooperation in implementing fully and effectively all agreements, commitments and recommendations of major United Nations conferences and summits organized since 1990 as they relate to poverty eradication, underscores its long-term vision of sustained and concerted effort at the national and international levels to eradicate poverty.

3. The proposal to designate a decade for the eradication of poverty was agreed upon in the Programme of Action of the World Summit for Social Development and was formally launched by the General Assembly at its fiftieth session. The various activities that had been undertaken during the International Year for the Eradication of Poverty in 1996 under the theme "Poverty can and must be eradicated throughout the world" helped to lay the foundations for the Decade by raising awareness of the issues and sustaining efforts at the national and international levels in support of poverty eradication.

4. The review presented in the present report focuses on key developments during the Decade, including the enhanced policy framework for poverty eradication at the national and international levels, the evolution of strategies for poverty eradication, enhanced coordination within the United Nations system to support the efforts of Member States and the obstacles and challenges that still face development partners in their fight against poverty around the world. The report should be read in conjunction with the review of the further implementation of the World Summit for Social Development and the outcome of the twenty-fourth special session of the General Assembly (E/CN.5/2005/6), the Report on the World Social Situation, 2005 (A/60/117) and the report of the Secretary-General entitled "Towards achieving internationally agreed development goals, including those contained in the Millennium Declaration" (E/2005/56), which provide recent and in-depth analyses of poverty issues and recommendations for action. This review of the Decade will precede the coordination segment of the Economic and Social Council in 2006, which has as its theme "The eradication of poverty and hunger, along with sustained economic growth for social development".

II. Key developments over the Decade

A. Strengthened commitment to national action and international support

5. The eradication of poverty is a cornerstone of the United Nations comprehensive development agenda that emerged from the major United Nations conferences and summits since the 1990s. At the World Summit for Social Development, Governments committed themselves to the eradication of poverty as

an ethical, social, political and economic imperative of humankind. The Copenhagen Declaration on Social Development and the Programme of Action of the Summit recognized that people must be at the centre of development efforts and acknowledged the intrinsic link between poverty, unemployment and social integration. Governments resolved to develop national strategies to substantially reduce overall poverty and to establish time-bound and specific targets to eradicate absolute poverty.

6. The Social Summit also called upon Governments to focus their efforts and policies on addressing the root causes of poverty, providing basic needs for all, especially women and other vulnerable groups, and ensuring that poor people have access to productive resources, including credit, education and training. In addition, poor people should participate in decision-making to create policy and a regulatory environment that would reduce inequalities and enable them to benefit from expanding employment and economic opportunities. While recognizing that national Governments have the primary responsibility for eradicating poverty, the Social Summit acknowledged the critical role of the United Nations system in this respect. International organizations, particularly multilateral institutions, and donors were encouraged to support policies and programmes aimed at achieving the goal of poverty eradication and ensuring provision for the basic needs of all.

7. The twenty-fourth special session of the General Assembly, held in 2000, called upon Governments to put poverty eradication at the centre of economic and social development and to build consensus with all relevant actors on policies and strategies to reduce the proportion of people living in extreme poverty by one half by 2015. The special session also emphasized the need for comprehensive national strategies for poverty eradication that are integrated into policies at all levels, including economic and fiscal policies; capacity-building and institution-building; and giving priority to investments in education and health, social protection and basic social services. Governments were also encouraged to develop and implement sustainable pro-poor economic growth strategies that enhance the potential and ability of poor people by empowering them; providing access to productive resources and active employment; encouraging small and medium-sized enterprises; and stimulating agriculture and rural development.

8. The special session invited the Economic and Social Council to consolidate ongoing initiatives and actions established in the outcome of the Social Summit, the Decade and the recommendations emerging from the special session, with a view to launching a global campaign to eradicate poverty. In view of the central place that poverty eradication occupies among the goals of the Millennium Declaration, the global campaign for the eradication of poverty was integrated into the broader global campaign for the implementation of the Millennium Development Goals, the Millennium Campaign. This integration was strongly supported by the United Nations System Chief Executives Board for Coordination (CEB) at its first regular session in 2002.

9. Since 1995, the policy framework on poverty eradication that was articulated at the Social Summit has continued to figure prominently in the outcomes of conferences and summits, including the Millennium Summit of the United Nations. The Fourth World Conference on Women, held in Beijing, and its follow-up addressed links between absolute poverty and the feminization of poverty, and the contributions of women and their empowerment were seen as key in combating

poverty, as equality of rights strengthens women's opportunities to participate in productive activities. Likewise, the World Food Summit called for the implementation of policies to eradicate poverty. It explicitly recognized the link between poverty, inequality and food insecurity and stressed that sustainable progress in poverty eradication was critical to improving access to food. At the International Conference on Financing for Development, the elimination of poverty and the improvement of social conditions worldwide were framed as systemic challenges that must be approached from a broad perspective. The Conference called for efforts to reinforce national capacity-building in areas that included social and gender budget policies. In addition, the World Summit on Sustainable Development emphasized that poverty eradication and adequate management of the natural resource base that allows for social development were overarching objectives of sustainable development and advocated the importance of promoting socially and culturally acceptable policies, equal and equitable access to education, health-care services and economic opportunities and initiatives that enable economic and social empowerment.

10. More significantly, the commitment to eradicate poverty made at the Social Summit and reflected in the objectives of the Decade was reaffirmed strongly in the Millennium Declaration, in which Member States resolved to halve, by 2015, the proportion of people living in extreme poverty and hunger. The Millennium Development Goals have helped to galvanize efforts towards poverty eradication, but the quantification of the Millennium Development Goal poverty target in terms of the poverty threshold of a dollar a day tends to overshadow the comprehensive approach set out at the Social Summit, in which poverty was characterized not only by lack of income and consumption, but also by exclusion, marginalization and inequality.

11. The 10-year review of the implementation of the Social Summit and the outcome of the twenty-fourth special session of the General Assembly was held at the forty-third session of the Commission for Social Development, at which the Commission adopted a declaration recognizing that the implementation of the Copenhagen commitments and the attainment of the Millennium Development Goals were mutually reinforcing.[1] It reaffirmed that enhanced international cooperation and action at the national level were essential to the implementation of the Copenhagen commitments, in particular to the people-centred approach to development, and underlined that policies and programmes designed to achieve poverty alleviation should incorporate specific measures to foster social integration, including by providing marginalized socio-economic sectors and groups with equal access to opportunities.

12. The recent 2005 World Summit Outcome reaffirmed the vital role played by the major conferences and summits in shaping a broad development vision and in identifying common objectives and reaffirmed the commitment to eradicate poverty and promote sustained economic growth, sustainable development and global prosperity for all. It expressed concern over the slow and uneven progress towards poverty eradication and the realization of other development goals in some regions and emphasized the need for urgent actions, including more ambitious national development goals and efforts backed by increased international support.

B. Enhanced global partnership

13. The development of a global partnership between rich and poor countries, as agreed in the Millennium Declaration and reaffirmed and elaborated upon at the International Conference on Financing for Development and the World Summit on Sustainable Development, has yet to be fully realized. Nevertheless, some important strides have been made towards achieving this goal.

14. At the 2005 World Summit, Governments of donor and developing nations made strong and unambiguous commitments to achieve the Millennium Development Goals by 2015. Those commitments include an additional $50 billion a year by 2010 for fighting poverty, which will become available as a result of commitments by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance by 2015, and to reach at least 0.5 per cent of gross national product for official development assistance by 2010 and 0.15 per cent to 0.20 per cent for the least developed countries by no later than 2010. There were also commitments to provide immediate support for quick-impact initiatives to support anti-malaria efforts, education and health care. With regard to financing for development, there were commitments to innovative sources of financing, including efforts to implement an International Finance Facility, and other initiatives to finance development projects, in particular in the health sector.

15. At the 2005 World Summit there was also agreement with respect to considering additional measures to ensure long-term debt sustainability through increased grant-based financing, the cancellation of 100 per cent of the official multilateral and bilateral debt of heavily indebted poor countries, including, where appropriate, significant debt relief or restructuring for low- and middle-income developing countries with unsustainable debt burdens that are not part of the Heavily Indebted Poor Countries Initiative. Countries also agreed to pursue trade liberalization and expeditious work towards implementing the development dimensions of the Doha work programme. Developing countries for their part, committed to adopting national plans for achieving the Millennium Development Goals by the end of 2006

C. Evolution of poverty reduction strategies

16. The Social Summit and the Decade not only highlighted the problem of global poverty, but also gave added impetus to the evolution of thinking on poverty and poverty reduction efforts. During the Decade, there has been a progressive broadening of the definition and measurement of poverty, from using income as a yardstick, to a definition that encompasses other dimensions of poverty, such as access to health services and education. More recently, that definition has been further expanded to embrace concerns about risk and vulnerability, social exclusion, powerlessness and lack of voice or representation. For the policymaker, the correlations between the various dimensions of poverty offer an expanded set of policies relevant to poverty reduction.[2]

17. The growing acceptance of a more holistic, multidimensional view of poverty has, in part, been driven by negative past experiences with the so-called neo-liberal development paradigm. The worsening of poverty in the wake of the Asian crisis of 1997, for example, generated widespread dissatisfaction over the adverse outcomes

of structural adjustment programmes and over-reliance on market mechanisms. At the same time, many low-income countries that had pursued primarily growth-oriented development strategies found themselves facing rising inequality and worsening poverty, especially among the poorest, when the "trickle down" effect of economic growth to poor and marginalized groups in those societies did not occur to the extent anticipated.

18. Since the Social Summit, there have been a number of international initiatives to tackle the problem of poverty and address the weaknesses of previous development efforts. Implicit in each of these recent initiatives is a specific view of the nature, if not the causes, of poverty. In response to the Social Summit, the United Nations Development Programme launched the Poverty Strategies Initiative (PSI) in 1996.[3] With an initial funding of $11 million, most of the selected country projects were started in 1997 or 1998. The Initiative supported country efforts to diagnose poverty and improve their capacity for policy analysis and implementation, which in turn helped in the development of national and local strategies for reducing poverty. The country-specific PSI efforts focus on various areas, including qualitative poverty assessment, household surveys and poverty maps, poverty reduction strategies and programmes, analyses of social spending and aid flows to basic services, national human development reports and capacity development for coordination and poverty reduction.

19. PSI, therefore, helped refocus poverty reduction as the core concern of the development agenda. More importantly, PSI advanced poverty awareness, stimulated national debate and mobilized national actors behind common policy goals in poverty reduction strategies.

20. In 1999, the World Bank and the International Monetary Fund (IMF) introduced the programme of poverty reduction strategies as a precondition for obtaining debt relief and concessional financing from both institutions under the Heavily Indebted Poor Countries Initiative and its successor, the enhanced Heavily Indebted Poor Countries Initiative. The poverty reduction strategy framework is seen as a vehicle to orient aid towards addressing key issues and achieving key objectives in the poorest countries through a participatory process, emphasizing country ownership and linking overall national policy to external assistance programmes. Its use reflects an attempt to place renewed emphasis on national ownership of development and highlights the importance and urgency of capacity-building to enable countries to design and implement such strategies.

21. As of September 2005, 49 countries, over half of which are in sub-Saharan Africa, have prepared Poverty Reduction Strategy Papers (PRSPs). However, only about half of the countries that have prepared PRSPs are under the Heavily Indebted Poor Countries Initiative. The PRSP is being explored as a means to orient bilateral development assistance by the members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD).

22. However, the PRSP framework has been viewed as having an unnecessarily narrow focus. The Commission for Social Development, in its agreed conclusions on national and international cooperation for social development, noted that it was necessary to place PRSPs within a wider context in which all social objectives would adequately be taken into account. At the same time, IMF recognizes that its main contribution to the Millennium Development Goals (including poverty reduction) is in promoting macroeconomic and financial stability — a crucial

prerequisite for poverty reduction and economic growth.[4] IMF is clear about its priority. Thus, to the extent that poverty reduction conflicts with macroeconomic and financial stability, it is likely to have lower priority in the PRSPs. Nevertheless, the focus of PRSPs is increasingly being aligned with the achievement of the development goals of the Millennium Declaration, principally with the first target of the Millennium Development Goals, to halve extreme poverty by 2015.

D. Improved coordination

23. Another major development during the Decade has been the strenuous efforts to ensure better coordination of action at the intergovernmental level and within the United Nations system.

1. Coordination at the intergovernmental level

General Assembly

24. The General Assembly, primarily through its annual reviews of the progress and implementation of the Decade for the Eradication of Poverty, has since 1998 adopted resolutions that have reaffirmed the Decade's goals.[5] For the first half of the Decade, the Assembly adopted the practice of requesting the Secretary-General to report on a selected theme topic in order to focus its deliberations on key poverty-related issues such as globalization, microcredit and women's employment.

25. At its twenty-fourth special session, in 2000, the Assembly undertook an overall review and appraisal of the implementation of the outcome of the Social Summit and considered further actions and initiatives to achieve the commitments adopted at Copenhagen,[6] including the goal of eradicating poverty. The special session agreed to "place poverty eradication at the centre of economic and social development and build consensus with all relevant actors at all levels on policies and strategies to reduce the proportion of people living in extreme poverty by one half by the year 2015 with a view to eradicating poverty".[7] This time-bound goal was reaffirmed in the United Nations Millennium Declaration.

26. To achieve the goal of halving extreme poverty, the 2005 World Summit emphasized the crucial role of national policies and development strategies. Developing countries resolved to adopt, by 2006, comprehensive national development strategies to achieve the internationally agreed development goals and objectives. Developed countries pledged to support these efforts through increased development assistance, the promotion of international trade as an engine for development, the transfer of technology on mutually agreed terms, increased investment flows and wider and deeper debt relief.

Economic and Social Council

27. The Economic and Social Council has a leading role in the fight against poverty. The issues addressed and decisions taken at the Council's substantive sessions throughout the Decade, especially the themes it has chosen to highlight during its high-level and coordination segments, have served to highlight and focus attention on critical issues of policy, implementation and coordination with the aim of accelerating the pace of poverty reduction.

28. In May 1998, the Council devoted a special session to the integrated and coordinated follow-up to major international conferences and summits as the first subject-oriented session of its kind. It adopted resolution 1998/44, in which it provided guidance to the United Nations system for better integrating its efforts to implement the outcome of major conferences and conducted a review of the functional commissions with specific responsibilities for the follow-up of major conferences and summits.

29. The draft ministerial communiqué entitled "The role of employment and work in poverty eradication: the empowerment and advancement of women" (E/1999/L.21), which was adopted at the Council's substantive session of 1999, recommended actions in support of national efforts to eradicate poverty, with particular attention to employment creation and work and the empowerment and advancement of women.

30. The Council's consideration of African development at its 2001 high-level segment resulted in the first formal international endorsement of the New Partnership for Africa's Development. Its resolution on the contribution of human resources to development in 2002 explicitly recognized the critical contribution of health and education to human resources development and the need to fully integrate these considerations into macroeconomic policies, including poverty reduction initiatives and to give them appropriate priority in national budgetary allocations.

31. Most recently, the outcome of the 2005 high-level segment of the Economic and Social Council constituted a major input to the 2005 high-level review by the General Assembly of the progress made in the implementation of the internationally agreed development goals and the global partnership required for their achievement. The 2005 substantive session of the Council also introduced the innovative "Voices against poverty" session, which gave non-United Nations actors a chance to interact and share their views on the Millennium Development Goals with the members of the Council.

32. The 2005 World Summit explicitly recognized the need for a more effective Council as a principal body for coordination, policy review, policy dialogue, recommendations on issues of economic and social development and implementation of the international development goals agreed at the major United Nations summits and conferences, including the Millennium Development Goals. The Council was entrusted with adapting its organization of work, agenda and current methods of work to fulfil this important role.[8]

33. Outside of its substantive sessions, the Council initiated, in 1998, a tradition of meeting each April with finance ministers heading key committees of the Bretton Woods institutions. These consultations initiated inter-institutional cooperation that paved the way for the Monterrey Consensus.[9] The Council was assigned a primary role in monitoring and assessing follow-up to the Monterrey Consensus. These Council consultations have been considered important for deepening the dialogue between the United Nations and the Bretton Woods institutions, and for strengthening their partnership for achieving the development goals agreed at the global conferences of the 1990s.

Commission for Social Development

34. During the Decade, the Commission for Social Development has played a major role by addressing the eradication of poverty in its various dimensions. The agreed conclusions and resolutions that have resulted from the deliberations of the Commission have contributed significantly to the global discourse on poverty within the broader context of social development. In particular, the adoption of priority themes by the Commission for its annual sessions has served as an important vehicle to focus the debate among Members States on many issues critical to poverty eradication.[10] For example, the eradication of poverty was the first priority theme addressed by the Commission after the Social Summit, in 1996.

35. During its thirty-fifth session, the Commission examined the topic "Productive employment and sustainable livelihoods". In its agreed conclusions, the Commission emphasized the importance of setting time-bound goals and targets for expanding employment, reducing unemployment and increasing productivity in rural and urban informal sectors through improving access to credit, fertile land, productive inputs, infrastructure, basic social services, information and extension services.

36. On the tenth anniversary of the Social Summit, the Commission, at its forty-third session, reviewed the further implementation of the outcome of the Social Summit and the twenty-fourth special session of the General Assembly. Central in its deliberations was the commitment to poverty eradication. In the ministerial declaration adopted at the high-level segment of its forty-third session, the Commission urged that the people-centred approach to development envisioned in the Copenhagen Declaration on Social Development be restored and called for policies to link the efforts of poverty eradication to the fostering of social integration and to the promotion of employment strategies. Of particular importance was the call for the issues of employment and social integration to be injected into the Millennium Development Goals in order to broaden the concept of poverty eradication. The Commission requested that its Declaration be transmitted to the 2005 World Summit, through the Economic and Social Council, as a contribution to the review of the Millennium Declaration.

Coordination within the United Nations system

37. The organizations of the United Nations system have made significant progress in integrating the Millennium Development Goals and the goals of the United Nations development agenda in their programmes of work and in developing system-wide approaches to support the implementation of the development agenda at the country level. The United Nations system strives to improve the coordination of its work in the area of economic and social development so as to avoid duplication and overlap and thus ensure that the various parts of the United Nations system are better placed to complement and draw upon each other's work, both at headquarters and in the field. CEB, the Executive Committee on Economic and Social Affairs and the United Nations Development Group (UNDG) have been tasked with coordinating the activities of the United Nations system in the area of poverty eradication.

38. Since 2001, CEB — formerly the Administrative Committee on Coordination — has been actively engaged in reviewing and assessing actions by the organizations of the system at all levels to ensure that the Millennium

Declaration and the Goals contained therein are a key, integral part of the priorities orienting the work of the system. In addressing key strategic issues that cut across the programmatic, sectoral interventions of its member organizations, CEB has sought to reinforce synergies among the implementation activities of United Nations organizations.

39. Poverty eradication and the objective of promoting equity and equality at both the national and international levels have been the overarching goals that guide CEB in contributing to the development of a focused global agenda, based on the outcomes of global conferences. During 1998, the then Administrative Committee on Coordination addressed the problem of poverty eradication, issuing at the conclusion of its spring session a policy statement on the subject and endorsing a set of guidelines to foster inter-agency cooperation at the field level (see E/1999/48). At the first regular session of the Administrative Committee on Coordination in 2000, executive heads underscored the fact that poverty eradication was the greatest challenge of globalization. At its fall 2000 session, and its first regular session of 2001, the Committee addressed the role of the United Nations system in the processes to follow up the Millennium Summit, particularly in respect of the first target of the Millennium Development Goals, to halve poverty by 2015 (ACC/2001/4). This focus on orchestrating closer inter-agency cooperation towards the attainment of the Millennium Development Goals has remained a guiding principle of the work of CEB.

40. The establishment of the four Executive Committees was an important component of the reform process launched by the Secretary-General in early 1997. The aim in establishing these Executive Committees was to sharpen the contribution that each entity makes to the overall objectives of the Organization by reducing duplication of effort and facilitating greater complementarity and coherence. The Executive Committees are designed, therefore, as instruments of policy development, decision-making and management in which the heads of United Nations entities consult with one another on work programmes and other substantive and administrative matters of collective concern in order to identify and exploit ways of pooling resources and services so as to maximize programme impact, minimize administrative costs and, more generally, facilitate joint strategic planning and decision-making.

41. To facilitate its role as envisioned in the Secretary-General's reforms, the Executive Committee on Economic and Social Affairs has prepared four major substantive reports related to critical contemporary issues in economic and social development that underlie the comprehensive United Nations development agenda, including efforts to eradicate poverty.[11] These reports are the product of a collaborative and coordinated effort of the Executive Committee on Economic and Social Affairs and represent the collective position of the United Nations Secretariat in the economic, social and related fields on these pressing issues.

42. UNDG is also an instrument for United Nations reform created by the Secretary-General in 1997 to improve the effectiveness of United Nations development efforts at the country level. UNDG brings together the operational agencies working on development and develops policies and procedures that allow member agencies to work together and analyse country issues, plan support strategies, implement support programmes, monitor results and advocate for change. These initiatives increase the United Nations impact in helping countries achieve the

Millennium Development Goals, including the overarching goal of poverty eradication. The results-oriented priorities of UNDG for 2005 include achieving national ownership and programme coherence at the country level, strengthening of the resident coordinator system and achieving an effective United Nations role in situations of transition from relief to development.

43. In addition to the more institutionalized forms of inter-agency cooperation, such as CEB and its high-level committees, UNDG and the Executive Committees, there are extensive networks of informal collaborative arrangements and joint initiatives that focus on supporting the implementation of the Millennium Declaration and the outcomes of other global conferences. For example, the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development and the World Food Programme, have formed a United Nations system Network on Rural Development and Food Security, while the International Labour Organization (ILO), the United Nations Secretariat and the World Bank closely collaborate on youth employment issues in the Secretary-General's youth employment network. Cooperation schemes also exist in various other fields: humanitarian, education for all, health, youth, gender, environmental sustainability, governance, human rights and HIV/AIDS.

44. Instruments at the country level, such as the common country assessment, the United Nations Development Assistance Framework (UNDAF) and its results matrix, thematic groups and joint programming initiatives, are working towards delivering more strategic and integrated approaches. The UNDAF process, in particular, is increasingly being focused to assist Governments in translating and realigning the internationally agreed development goals, including those contained in the Millennium Declaration, into national policies, strategies and programmes. The results matrix in the UNDAF process enables United Nations system organizations to orient their programmes and operations around the development goals, monitor and evaluate the effectiveness of their operations and build national capacities to monitor and evaluate implementation.

III. Progress in poverty eradication

A. Trends

45. Progress in poverty eradication over the Decade has been mixed. At the global level, the proportion of poor people living on less than one dollar a day in developing countries declined from 27.9 to 21.3 per cent between 1990 and 2001, a transition of roughly 118 million persons out of extreme poverty. If current trends are maintained, the goal is likely to be achieved at the global level in 2015, and the number of people living in extreme poverty would just fall below 735 million by 2015, from about 1.22 billion in 1990.

46. However, this global picture masks important disparities at the regional level. Global poverty reduction has been driven by the success of East Asia and the Pacific and South Asia, who are on track to achieve the Millennium Development Goal target of halving extreme poverty at the national level by 2015. China, in fact, has already achieved the poverty reduction target: the number of people living in extreme poverty there fell from 377 million to 212 million between 1990 and 2001, or from 33 per cent to 16.6 per cent of the population.

47. All other regions have experienced setbacks since 1990. Some countries are at severe risk of falling short of the goal. Sub-Saharan Africa is the least likely to achieve the income poverty target, having made no progress in reducing the incidence of poverty in the 1990s. In sub-Saharan Africa, if current trends continue unchanged, only eight countries are projected to halve extreme poverty by 2015. The incidence of poverty is much lower in Latin America and the Caribbean, but progress in further reducing poverty has been slow. In Europe and Central Asia, poverty rates rose in the 1990s.

B. Obstacles and challenges

48. The mixed results in achieving poverty reduction demonstrate the fact that many countries continue to face deep-rooted obstacles and challenges in hastening the pace of poverty reduction. Sustained pro-poor economic growth is a necessary condition for accelerated poverty reduction and sustained human development, but the average per capita income growth in developing countries in the 1990s was 1.5 per cent per annum. Since 2000, the average annual growth rate of per capita income in developing countries has increased to 3.4 per cent, although this result is influenced by the high rate of growth recorded in East Asia, notably in China, and the recent economic take-off in India. In other regions of the world, the recorded growth in per capita income is less encouraging. Sub-Saharan Africa, for example, has posted an average growth rate of 1.2 per cent a year since 2000.

49. The rate of progress in income poverty reduction depends also on the distribution of income and the share of the poor in economic growth at any level. The higher the level of income inequality, the less impact economic growth has in reducing poverty at any given rate of growth. There is evidence there has been rising inequality within countries over the past two decades.[12] This implies that the share of national income going to the poorest has fallen over the period. In broad terms, OECD countries and South Asia have the lowest income inequality, with a Gini coefficient of 36.8 and 33.4, respectively.[13] In contrast, sub-Saharan Africa and Latin America register the highest levels of inequality, with a Gini coefficient of 72.2 and 57.1 respectively. In sub-Saharan countries, the weak results for poverty eradication reflect the weak growth and unequal distribution of income. In order to accelerate poverty reduction in these countries, there needs to be pro-poor growth that is both broad and inclusive. Poverty and life chances in general are influenced by different types of factors and inequalities, which interact to create dynamic and mutually reinforcing vicious cycles of poverty. Breaking these cycles will be an important and fundamental challenge in poverty eradication efforts.

50. Gender inequality is also a major barrier to progress in reducing income poverty. Women have less access to paid employment than men in most of the developing world. Women in Southern Asia, Western Asia and Northern Africa still hold only about 20 per cent of paying jobs in sectors outside of agriculture.[14] The gender empowerment measure of the *Human Development Report*, an indicator of progress towards the empowerment of women, shows little progress.[15] For example, trend projections show that gender parity in primary and secondary school enrolment will still lag far behind the target of eliminating gender disparity in primary and secondary schooling.[16]

51. There is still a deep division between rural and urban communities. Poverty rates are higher and there is less access to services in rural communities. Successful poverty reduction demands attention to promoting and supporting rural development. There is some evidence suggesting a link between poverty reduction and agricultural growth. The trends in per capita agricultural output in China and sub-Saharan Africa are consistent with their observed trends in poverty reduction. In China, agricultural output per capita increased as the incidence of poverty decreased, while in sub-Saharan Africa the level of extreme poverty increased as agricultural output per capita declined.[17] This evidence suggests that in order to reduce poverty effectively in countries in which the poor are largely dependent on agriculture an explicit agricultural strategy is needed to raise agricultural productivity and create opportunities for more productive employment.

52. HIV/AIDS is another major factor affecting poverty and has had a particularly devastating impact on sub-Saharan Africa, where average life expectancy declined from 50 years in 1990 to 46 years in 2002. The disease is most often contracted by adults in the prime of life, and ILO estimates that at least 26 million workers aged 15 to 49, many of them primary breadwinners, are infected with the virus worldwide. The consequences of HIV/AIDS extend far beyond the direct impact of the disease itself when one takes into account the fate of millions of orphans and older persons who end up excluded from mainstream employment and social protection programmes with the loss of the breadwinners in their families. Deaths from HIV/AIDS often leave the surviving dependants in poverty and can negatively affect the educational development of the surviving children, making it much more difficult for them to either escape from or stay out of poverty later in life. Furthermore, many older persons find support and resources seriously depleted at the same time as they are called on to help others, such as their orphaned grandchildren.

53. Armed conflicts tend to reinforce poverty and need to be addressed and resolved before there can be any hope of eradicating absolute poverty. Although recent years witnessed a marked reduction in the number of conflicts, from 51 in 1991 to 29 in 2003, the duration of current conflicts is longer,[18] and the impact of these longer periods of conflict on human development is severe. The nature and geography of conflicts have also changed: at the start of the twenty-first century, most conflicts are within States and most victims are civilians. Over the period from 1990 to 2003, low-income countries accounted for more than half of the countries and territories that experienced violent conflict.[19] Nearly 40 per cent of the world's conflicts are in Africa.

C. Lessons learned

54. The multidimensional view of the Social Summit on poverty, as highlighted by the Decade, remains a guiding force for policymaking in the social development sphere and continues to influence the debate on poverty strategies. Over the period of the Decade, important lessons have been learned about how to attack poverty.

55. One important lesson is the need for a participatory process that is country-driven and that promotes ownership as a necessary precondition for the successful implementation of policies and programmes. Participation of the poor in processes and decisions that affect their lives is crucial, and broad-based participation is one

of the guiding principles for the poverty reduction strategies in order to improve governance and accountability. Involving the poor in the design process is predicated upon the experience that the poor often have better knowledge of their situation and needs.[20] This recognition implies that poverty initiatives should incorporate the means to strengthen or build capacity for greater participation and input from the poor themselves.

56. At the same time, since development is seen as the primary responsibility of each country, national policies and poverty reduction strategies should reflect and take into account the specific context of a country's level of development and priorities. Just as poverty reduction strategies flourish in a participatory environment, such a participatory approach can take root more easily when democratic governance is present.

57. Lack of representation, political power or enforcement of legal rights and social exclusion and discrimination must be addressed since "discrimination may cause poverty, just as poverty may cause discrimination" (E/C.12/2001/10, para. 11). The marginalized, including women, minorities, indigenous peoples, rural residents and other groups with special needs, should be given a voice, especially in issues that directly concern them. Thus, programmes that promote the empowerment, representation and participation of marginalized groups in society should be built into poverty reduction strategies.

58. Empowered women can be some of the most effective drivers of development. Direct interventions to advance gender equality include measures such as increasing primary school completion and secondary school access for girls; ensuring secure tenure of property for women; ensuring access to sexual and reproductive health services; promoting equal access to labour markets; providing the opportunity for greater representation in government decision-making bodies; and protecting women from violence. The promotion of poor people's access to financial services, such as microcredit and microfinance often has a strong empowering outcome, especially among poor women, since it allows them to take advantage of employment opportunities while enhancing their status within their communities.

59. The experience with poverty initiatives also highlights the importance of having strategies that are results-oriented and have outcomes that can be measured and monitored. This practice is being promoted largely through the adoption of the quantified targets of the Millennium Development Goals and with the realignment of the poverty reduction strategies with the Millennium Development Goals. Monitoring of the Millennium Development Goals is already under way at the country level, and countries have undertaken Millennium Development Goals reports as part of their voluntary reporting of progress towards achieving the development goals of the Millennium Declaration. As of August 2005, a total of 155 Millennium Development Goals reports had been published by 139 countries, including 17 donor countries.

60. An important lesson is that widely disseminated documentation and reporting on poverty can lead to broader discussions and consultations with various stakeholders. The reporting on the Millennium Development Goals has engaged political leaders and top decision makers, and mobilized civil society, communities, the general public and the media. Thus, the reporting process can serve as an important tool for awareness-raising, advocacy, alliance-building and the renewal of

political commitments at the country and international levels as well as for building national capacity for monitoring and reporting on goals and targets.

61. It has also been recognized that policy decisions aimed at poverty reduction and eradication should also be targeted, rather than simply relying on the trickle-down effects of broad economic and social policies to promote economic growth and development.[21] An integrated policy approach to poverty eradication should include a sustainable growth strategy that is broad and inclusive instead of focusing on economic growth in which expansion is localized within a geographic and/or sectoral enclave.

62. In addition, sustained poverty reduction cannot be achieved unless socio-political dimensions, which are often downplayed or overlooked, are incorporated in a comprehensive strategy. Since policies that address the inequalities in access to basic social services, such as health and education, can increase the capacity of the poor to improve the quality of their lives, the provision of basic social services should be incorporated in poverty strategies. This is particularly important in addressing HIV/AIDS, tuberculosis, malaria and other infectious diseases.

63. Finally, measures that help mitigate risk and vulnerabilities arising from armed conflict, violence and natural disasters are essential in addressing both transient and chronic poverty. This includes the provision of social safety nets to cushion the impact of social and economic crises, a lesson learned in the wake of the Asian financial crisis and the extensive natural disasters of recent years. Poverty reduction strategies that do not incorporate risk mitigation and vulnerabilities of the poor are likely to fail, given the realities of disasters and conflicts, which are often beyond their control.

IV. Looking forward and recommendations

64. The Decade provided the first long-term vision for poverty reduction and eradication in an integrated and coordinated way for the United Nations and the international community. The summits and conferences that were convened during the Decade reinforced the urgency and primacy of poverty reduction and eradication within the comprehensive United Nations development agenda. The Millennium Declaration captured the imagination and commitment of world leaders in 2000 and the internationally agreed development goals contained in that Declaration now provide the globally accepted benchmarks of broader progress that have been embraced by donors, developing countries, civil society and major development institutions.

65. However, as has been argued here and elsewhere, the Millennium Development Goals do not in themselves represent a complete development agenda, although they represent a key component of the comprehensive United Nations development agenda. In particular, the Millennium Development Goals do not directly encompass some of the broader issues covered by the conferences of the 1990s, nor do they address the particular needs of middle-income developing countries or the questions of growing inequality and the wider dimensions of human development and good governance, which all require the effective implementation of conference outcomes.

66. Nevertheless, the urgency of achieving the Millennium Development Goals, especially the goal of poverty eradication, cannot be overstated. As the preceding analysis has shown, despite good progress in some regions that strongly suggests that the target to halve poverty will be achieved in aggregate by 2015, progress is weak and falling short of what is needed, especially in the poorest countries. It is evident that there need to be positive, concerted efforts to fill what many in the international community refer to as the "implementation gap" that has followed several world summits and conferences. Slow progress or lack of progress towards the Millennium Development Goals is due to inadequate appropriate implementation in many countries.

67. The Millennium Project has proposed an action plan to bridge the "implementation gap" and achieve the Millennium Development Goals, in particular the goal to halve poverty by 2015. This action plan argues that the Millennium Development Goals can be achieved globally by most, if not all, countries if there is commitment to and implementation of concerted and coordinated action at the national and international levels to accelerate and scale up action until 2015. The political will and global partnership necessary to undertake this decisive action at the national and international levels are emerging; the true test is whether the needed global development assistance will materialize over the next few years to support broad-based actions by developed and developing countries to address the Millennium Development Goals, in particular the target of halving extreme poverty and hunger by 2015.

68. The 2005 World Summit called upon each developing country in extreme poverty to adopt by 2006 and begin to implement a national development strategy bold enough to meet the targets of the Millennium Development Goals for 2015. This will require the national strategy to incorporate the scaling-up of public investments, capacity-building and domestic resource mobilization, together with predictable and effective support of official development assistance where needed. It is especially important that countries that already have Poverty Reduction Strategy Papers should align these to achieve the Millennium Development Goals.

69. Rapid poverty reduction cannot take place in the absence of sustainable pro-poor growth, and this national development strategy should be implemented within the context of dynamic, growth-oriented economic policies that create an environment enabling faster sustainable economic growth. Attention needs to be paid to investments in human capital and infrastructure, an enabling legal and regulatory environment for small and medium-sized firms, good governance and expanded access to financial capital, including microfinance. In addition, there should also be efforts directed towards agricultural development and the needs of small farmers; the problems of the large and growing number of urban poor; universal access to basic health services, including services to promote child and maternal health, to support reproductive health and to control killer diseases, such as AIDS, tuberculosis and malaria; and the role of civil society organizations and the private sector as vital partners for poverty reduction.

70. The Commission for Social Development has, during the first United Nations Decade for the Eradication of Poverty, stressed the multidimensional character of poverty and the need for an integrated and holistic approach to poverty eradication. In the light of the conclusions in the present report, and taking into account the recommendations contained in the report of the Secretary-General on the review of

further implementation of the World Summit for Social Development and the outcome of the twenty-fourth special session of the General Assembly, the Commission for Social Development may wish to:

(a) **Urge all countries with extreme poverty to make every effort to adopt by 2006 and begin to implement a national development strategy in order to halve extreme poverty by 2015;**

(b) **Ensure that policies and programmes designed to achieve poverty eradication include specific measures to foster social integration, including by providing marginalized socio-economic sectors and groups with equal access to opportunities;**

(c) **Urge countries to adopt full, productive and decent employment as a central objective of national and international macroeconomic policies, fully integrate this objective into poverty reduction strategies, including, where they exist, Poverty Reduction Strategy Papers, and encourage countries to set time-bound goals and targets for expanding employment and reducing unemployment, including national action plans for youth employment.**

Notes

[1] See *Official Records of the Economic and Social Council, 2005, Supplement No. 6* (E/2005/26), chap. I, sect. A, para. 1.

[2] Ravi Kanbur and Lyn Squire, "The Evolution of Thinking About Poverty: Exploring the Interactions", mimeograph, 1999. Revised version published in G. Meier and J. Stiglitz (eds.), "Frontiers of Development Economics: The Future in Perspective" (Oxford University Press, 2001).

[3] "Choices for the Poor", published by the United Nations Development Programme in 2001, and http://www.undp.org/poverty/povertyarchive/initiatives/psi/ accessed October 2005.

[4] "Strengthening the IMF's Support for Low-Income Countries", published by the International Monetary Fund in September 2005.

[5] Resolutions 53/198, 54/232, 55/210, 56/207, 57/266, 58/222 and 59/247.

[6] *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annexes I and II.

[7] General Assembly resolution S-24/2, paragraph 25.

[8] See General Assembly resolution 60/1.

[9] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution I, annex.

[10] The following topics were considered at various sessions of the Commission for Social Development: "Productive employment and sustainable livelihoods" (thirty-fifth session); "Promoting social integration and participation of all people, including disadvantaged and vulnerable groups and persons" (thirty-sixth session); "Social services for all" (thirty-seventh session); "Enhancing social protection and reducing vulnerability in a globalizing world" (thirty-ninth session); "Integration of social and economic policies" (fortieth session); "National and International Cooperation for Social Development" (forty-first session); and "Improving public sector effectiveness" (forty-second session).

[11] See http://www.un.org/esa/coordination/ecesa.

[12] The Inequality Predicament: *Report on the World Social Situation 2005* (United Nations publication, Sales No. 05.IV.5), p. 47.

[13] Countries with Gini coefficients above 50 can be said to be in the high inequality category.

[14] *The Millennium Development Goals Report 2005*, http://unstats.un.org/unsd/mi/mi_dev_report.htm p. 15.

[15] "Human Development Report 2005: International cooperation at a crossroads" (Oxford University Press, 2005).

[16] Ibid., pp. 43-44.

[17] *World Employment Report 2004-05: Employment, Productivity and Poverty Reduction*, published by the International Labour Organization, 2005.

[18] *Human Development Report 2005*, p. 154.

[19] Calculations based on Havard Strand, Lars Wilhelmsen and Nils Petter Gleditsch, "Armed Conflict Data Project 2004: Armed Conflict Database" (International Peace Research Institute, 2005).

[20] Ravi Kanbur and Lyn Squire, op. cit., p. 22.

[21] *The Inequality Predicament: Report on the World Social Situation 2005*, p. 133.